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# World Production and Trade

United States  
Department of  
Agriculture

Foreign  
Agricultural  
Service

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Weekly  
Roundup

WR 7-86

Feb. 20, 1986

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

## GRAIN AND FEED

Canada Exporting Feed Wheat. Canada's recent sale of 100,000 metric tons of feed wheat to Mexico provides additional evidence that U.S. corn and sorghum exports will face increased competition from large supplies of Canadian feed-quality wheat. Poor harvest conditions last fall resulted in about 13 percent of Canada's estimated 23.9-million-ton wheat crop being downgraded to feed quality. Normally, about 5 percent of the crop is feed quality. Canada earlier had made two feed wheat sales to Korea totaling 70,000 tons and the Canadian Wheat Board is expected to bid aggressively on upcoming Korean tenders for 100,000 tons of feed grains.

\*\*\*\*\*

Thailand May Sell North Korea Corn. North Korea's reported interest in buying 400,000 tons of Thai corn could decrease pressure on Thailand to export its record corn supplies and reduce the extent to which those supplies could displace U.S. corn in other Far Eastern markets. Successive large corn crops, including this year's record of 5.2 million tons, have resulted in record export availabilities and prompted Thailand to embark on an aggressive export program in traditional U.S. markets and to other destinations. The sale would mark the first time North Korea has purchased a significant quantity of Thai corn since 1978.

\*\*\*\*\*

Brazil Substitutes Argentine Corn for Wheat. Brazil's reported decision to substitute 650,000 tons of Argentine corn for wheat not shipped under their bilateral agreement will reduce the potential for U.S. corn sales to Brazil. The Argentine sale is nearly double its previous record corn exports to Brazil set in 1983/84. Eventual prospects for U.S. corn exports, which typically represent about 95 percent of Brazil's corn imports, will depend on the impact of the current drought, the availability of U.S. credit and Brazil's domestic coarse grain price policies. The current USDA corn production estimate for Brazil of 19.0 million tons for 1985 is about 2.5 million tons lower than the average for the past several years. Correspondingly, corn imports for 1985/86 (October-September), estimated at a record 2.75 million tons, are about 2.5 million tons above the average for the past several years.

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## OILSEEDS AND PRODUCTS

USSR Buys More U.S. Soybeans. For the week which ended February 6, private exporters reported to the USDA export sales of 61,000 tons of soybeans for delivery to the USSR during the 1985/86 marketing year. Sales of soybeans to the USSR for this year now total 1.16 million tons. This is the largest volume of U.S. soybean exports to the USSR since 1978/79, when 1.17 million tons were exported. USDA forecasts October-September 1985/86 soybean imports by the USSR from all sources at 1.7 million tons.

\*\*\*\*\*

India Lowers Imported Oil in Vanaspati Production. Effective February 10, India reduced the allocation of imported edible oil in vanaspati production by another 10 percent. The vanaspati industry can now meet only 30 percent of its total requirements with imported oils at a commercial rate of 9500 rupees per ton. Previously, this rate was 40 percent; one year ago, 95 percent. The industry will also be allowed to use an additional 10 percent of imported oils at a commercial rate of 13,000 rupees per ton. USDA forecasts 1985/86 Indian soybean oil imports at 350,000 tons.

\*\*\*\*\*

Austria May Seek Higher Tariffs on Vegetable Oil and Margarine Imports. The Austrian press has reported that the government intends to enter into the new round of General Agreement on Tariffs and Trade (GATT) negotiations with the goal of higher custom duties or equalization fees for imports of vegetable oils and margarine. High officials in the Trade and Agriculture Ministries, however, have denied these reports. USDA forecasts 1985/86 Austrian imports of total vegetable oils at 118,000 tons and soybean oil at 30,000.

## TOBACCO

Canada Puts Marketing Agency for Flue-Cured Tobacco on Hold. In Canada, the development of a National Marketing Agency for flue-cured tobacco remains on hold as all parties await the Federal Court's decision on whether to re-open public comment as requested by the Canadian Tobacco Manufacturers Council. Despite the delay, the flue-cured tobacco market opened February 4 after a five-month delay. After four sale days, 7.7 million pounds were sold at an average price of Can\$1.22 (US\$0.88) per pound.

The Ontario Flue-Cured Tobacco Growers' Marketing Board has been granted the power to buy, price and sell tobacco for export in an attempt to reduce tobacco surplus. Under the new authority, the Board will be allowed to acquire tobacco unsold at auction for purposes of processing, storing, marketing and promoting the tobacco on the export market.

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## FRUIT

Kenyan Pineapple Production Forecast To Decrease. Kenya's 1986 production of fresh pineapple is expected to total 158,000 tons, down 6 percent from the record volume harvested during the 1985 season (November 1984-October 1985). Although drought conditions throughout 1984 and early 1985 reduced water supplies for supplemental irrigation, rainfall during the latter half of 1985 replenished both the subsoil moisture and irrigation channels. Consequently, yields for the 1986 crop are expected to reach record levels. This, coupled with state-of-the art production technologies, sophisticated irrigation methods and minimal disease problems, is expected to more than offset the area and production losses forecast for the ratoon crops. Data for fresh pineapple are as follows:

	1982	1983	1984	1985	1986
Area Harvested (HA)	1,999	2,089	2,150	2,286	2,070
Production (1,000 MT)	119	132	158	168	158
Yield (MT/HA)	59.53	63.19	73.95	73.49	76.22

## COCOA

World Cocoa Bean Output Revised Upward. World 1985/86 cocoa bean production is forecast at 1.88 million tons, 2 percent above the October estimate but 3 percent less than the revised 1984/85 record production of 1.94 million tons. Relatively higher grower prices and favorable weather conditions in the major producing countries are the major reasons for the higher-than-expected outturn.

African cocoa bean output is expected to be down 5 percent from the bumper 1984/85 harvest. The largest decreases are expected in the Ivory Coast and Nigeria. The Ivory Coast's production in 1985/86 is forecast at 525,000 tons, 5 percent below last season's record crop. The main crop in the Ivory Coast is expected to approximate the 1984/85 level. The dry weather conditions that normally prevail from December to March have been somewhat more severe this season and are expected to reduce the 1986 mid-crop. The 1985/86 crop quality is reported to be good with satisfactory bean sizes.

In Nigeria, the 1985/86 outlook is for a substantial drop in production as a result of a poor pod set and high field losses due to pod rot caused by unusually wet weather early in the season. Ghana's 1985/86 crop, forecast at 200,000 tons, is expected to be the largest since 1981/82. Increased producer prices, improved weather and better supply of inputs are the reasons for the expected larger output. The rehabilitation program for the cocoa industry in Ghana is proceeding well and farmer confidence is being regained.

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South America's 1985/86 cocoa bean production is forecast to decline 6 percent from the 1984/85 estimate. Brazil's production for the current season is forecast at 395,000 tons, unchanged from the October forecast, but 5 percent below last year. The temporao crop (mid-crop) is expected to exceed the previous season's outturn, but the main crop is estimated to be down 12 percent or 25,000 tons. The unusually wet and cooler weather in several cocoa areas in Brazil caused an increase in pod rot which was a major factor in the decline of the main crop. Ecuador's cocoa bean production for 1985/86 is forecast at 110,000 tons, down 14 percent from the previous season's revised record outturn. The trend toward higher production began a few years ago when higher farm prices resulted in orchard renovation programs and improved cultural practices, but was interrupted by heavy El Nino rains in 1982/83 and 1983/84.

Cocoa bean production in Asia/Oceania for 1985/86 is forecast to increase 14 percent, mainly as a result of increased production in Malaysia. The 1985/86 production forecast for Malaysia was reduced by 5,000 tons from the October estimate. Dry weather during flowering and pod setting season reduced yields.

Cocoa bean production for major countries and regions during the October-September crop year is estimated as follows in 1,000 tons:

Country/Region	1984/85	1985/86	
		Oct.	Feb.
Africa:			
Ivory Coast 1/	552.0	500.0	525.0
Ghana	173.0	190.0	200.0
Nigeria 2/	165.0	115.0	115.0
Cameroon	120.0	120.0	115.0
Other	50.2	56.4	48.9
Total	1,060.2	981.4	1,003.9
South America:			
Brazil	415.0	395.0	395.0
Ecuador	128.0	90.0	110.0
Colombia	42.0	44.0	42.0
Other	25.6	27.1	27.1
Total	610.6	556.1	574.1
Central American/Caribbean:			
Mexico	38.5	40.0	40.0
Dominican Republic	41.3	42.5	42.5
Other	18.8	20.4	19.4
Total	98.6	102.9	101.9
Asia/Oceania:			
Indonesia	30.0	35.0	35.0
Malaysia	100.0	125.0	120.0
Papua-New Guinea	30.0	30.0	30.0
Other	15.4	15.4	15.4
Total	175.4	205.4	200.4
World total	1,944.8	1,845.8	1,880.3

1/ Includes marketing from Ghana. 2/ Includes cocoa marketed through Benin.

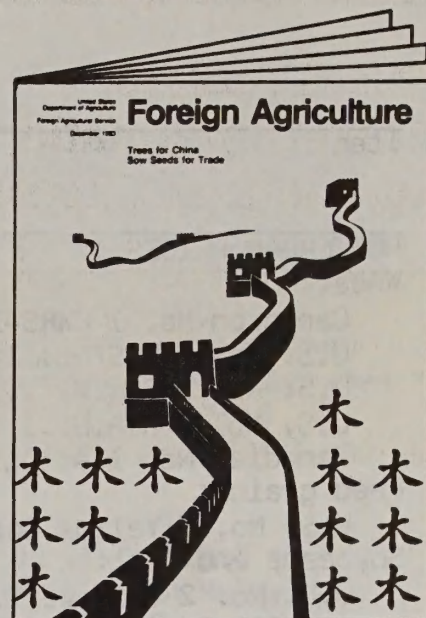
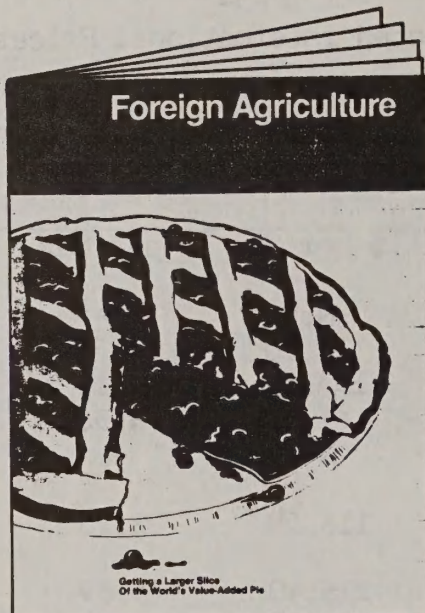
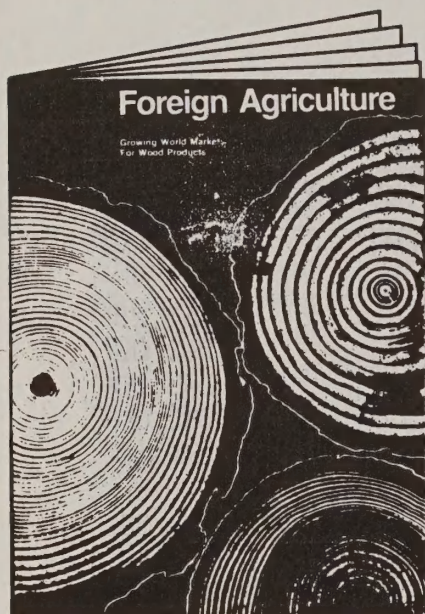


Selected International Prices

Item	:	Feb. 18, 1986	:	Change from	:	A year
	:		:	a week ago	:	ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT		\$ per MT
Wheat:						
Canadian No. 1 CWS-13.5%.		N.Q.	--	--		185.25
U.S. No. 2 DNS/NS: 14%....		174.00	4.74	-.50		182.00
U.S. No. 2 S.R.W. ....		153.50	4.18	+1.50		160.00
U.S. No. 3 H.A.D.....10/		161.00	4.38	-3.00		182.00
Canadian No. 1 A: Durum...		N.Q.	--	--		193.50
Feed grains:						
U.S. No. 3 Yellow Corn....		116.50	2.96	-.50		132.50
Soybeans and meal:						
U.S. No. 2 Yellow.....		216.40	5.89	-3.60		236.00
Brazil 47/48% SoyaPellets		196.00	--	-3.00		154.00
U.S. 44% Soybean Meal....		187.00	--	+1.00		150.00
U.S. FARM PRICES 3/						
Wheat.....		112.42	3.06	+1.10		124.18
Barley.....		N.Q.	N.Q.	N.Q.		84.97
Corn.....		89.76	2.28	-.79		102.36
Sorghum.....		78.26	3.55 2/	-.88		93.48
Broilers.....		1078.05	--	+14.33		1178.36
EC IMPORT LEVIES						
Wheat 5/.....		145.25	3.95	+3.90		48.15
Barley.....		135.50	2.95	+4.80		50.35
Corn.....		124.45	3.16	+12.80		44.65
Sorghum.....		123.35	3.13	+4.40		45.80
Broilers 4/ 6/ 8/.....		303.00	--	+4.00		149.00
EC INTERVENTION PRICES 7/ 9/						
Common wheat(feed quality)		181.90	4.95	+2.70		135.90
Bread wheat (min. quality)		193.45	5.26	+2.85		144.55
Barley and all						
other feed grains.....		181.90	--	+2.70		135.90
Broilers 4/ 6/.....		N.Q.	--	N.Q.		N.Q.
EC EXPORT RESTITUTIONS (subsidies)						
Wheat .....		N.A.	N.A.	--		N.A.
Barley.....		N.A.	N.A.	--		N.A.
Broilers 4/ 6/ 8/.....		221.00	--	+3.00		88.00

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ April/May price. N.A.=None authorized. N.Q.=Not quoted. Note: Basis March delivery.





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